

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 3914-05  
BILL NO. SS for HS for HCS for HB 1797 with SAs 1, 2, 3, 4, 6, 7, 9 and 10  
SUBJECT: Motor Vehicles; Insurance Database  
TYPE: Original  
DATE: May 11, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund*	(Unknown)	(Unknown)	(Unknown)
General Revenue	(\$30,138)	(\$32,290)	(\$33,105)
World War II Memorial Trust Fund	(Unknown)	Unknown	Unknown
<b>Total Estimated Net Effect on <u>All</u> State Funds*</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* Costs expected to exceed \$1,000,000, potential increase in revenue not included.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Governments</b>	<b>(\$38,099)</b>	<b>(\$48,163)</b>	<b>(\$48,163)</b>

Numbers within parentheses: ( ) indicate costs or losses

This fiscal note contains 17 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

#### Section 303.409 - Motorists Insurance Database

The **Department of Insurance, Office of Prosecution Services, Department of Economic Development - Division of Motor Carrier and Railroad Safety** and the **State Treasurer's Office** assumes this proposal would not fiscally impact their agency.

The **State Public Defender's Office (SPD)** assumes that the number of charges of driving unregistered vehicles would dramatically increase for the indigent accused. In previous responses SPD assumed only 50 to 75 cases would have to be represented and therefore could have been absorbed with existing resources. However, in FY99 the State Public Defender System provided representation in 280 such cases. SPD has assumed this number would at least double. Therefore, SPD requests one (1), part-time, Assistant Public Defender and (1), part-time, Paralegal Investigator to handle the increase caseload. **Oversight** has adjusted costs to adhere to Office of Administration guidelines.

The **Office of State Courts Administrator (CTS)** states that this proposal would create the "Motorist Insurance Identification Database Program Act", which would make it easier for the Department of Revenue to identify uninsured motorists. CTS states there are penalty provisions for violations, as well as vehicle seizure provisions for repeat offenders. CTS assumes that while there may be an increase in the number of cases filed initially, over time, there would be a decrease in the number of uninsured motorists. Therefore, CTS does not anticipate a significant impact on the workload of the judiciary.

Officials from the **Secretary of State (SOS)** assume this proposal would result in rules and regulations to be published in the *Code of State Regulations* and the *Missouri Register*. Estimated costs for printing additional pages would be \$602.50 in FY01. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn. **Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

The **Department of Revenue (DOR)** assumes this proposal changes the permissive language concerning the vehicle insurance database and mandates that DOR contract with a vendor for implementation of the database by July 1, 2001. DOR has estimated that for FY 02 they will incur expenses equal to approximately \$7,000,000 for development, contracting with the

ASSUMPTION (continued)

specified vendor and operational costs within DOR. For FY 03, the anticipated costs are equal to \$3,800,000 for ongoing operational costs and database maintenance.

**Oversight** notes that DOR has not received bids from vendors and therefore is unable to project an exact cost for the implementation of the database. According to a nine-state survey, initial costs for a similar system ranged from \$100,000 in Arkansas to \$4.5 million in New York. Arkansas has 2 million registered vehicles, New York has 10 million registered vehicles and Missouri has 4.5 million registered vehicles. The number of notices mailed per month (to uninsured motorists) did not bear in direct proportion to the number of registered vehicles. It is reasonable to assume implementation of an insurance database would increase compliance with Missouri's mandatory insurance laws. Any increases in insurance policies and payment of insurance premiums would increase the amount of insurance premium tax paid to the state by insurance companies. Half of such revenue would be credited to the General Revenue Fund and half would transfer to the County Foreign Insurance Tax Funds. Oversight was unable to arrive at an estimate of the amount of potential revenue, if any. Oversight assumes the costs are unknown, but are expected to exceed \$1,000,000 in FY 02 and 03. Costs associated with implementation of the database would be handled in the budgetary process.

Section 303.042 - Notice of Suspensions sent Ordinary Mail

The **Department of Revenue (DOR)** assumes this proposal changes Section 303.409 as passed in SB19 that was Truly Agreed to and Finally Passed last year. SB19 required mandatory vehicle suspensions to be mailed certified mail. This proposal requires the suspension to be mailed "first class" pursuant to Subsection 303.409.1. The Department of Revenue will use the first class automated pre-sort postage rate of \$0.305 instead of the certified mail rate of \$1.73 for suspension notices. This is a \$1.43 differential in postage cost per suspension notice.

Postage costs in any given year is dependent upon the uninsured motorist rate. Therefore, the following projected cost reduction in postage is based on an estimated uninsured rate of 18% for FY02 of motor vehicle registrations and 14% for FY03 of motor vehicle registrations. Until the mandatory insurance database is operational the uninsured rate cannot be accurately determined. The estimated percentages are based on other states findings when implementing this same type of program. Thus, the following postage cost differential is estimated.

ASSUMPTION (continued)

**FY02**

\$2,220,075 - Postal cost differential (cost avoidance)

**FY03**

\$900,900 - Postal cost differential (cost avoidance)

**Oversight** assumes that under current law the cost of certified mailings of vehicle suspensions would be charged to the State Highway Fund. Therefore, this fiscal note identifies the cost avoidance to that Fund.

Section 302.160 and 302.302 - Points Assessment for Federal Convictions

Officials from the **Department of Revenue (DOR)** assume this proposal allows DOR to assess points and add conviction information to the Missouri driving record on federal convictions for driving while intoxicated. The proposal also allows the DOR to utilize a database for sampling automobile insurance cancellations to determine compliance with the Mandatory Financial Responsibility Law. The proposal allows the DOR to suspend the drivers license of an owner who fails to maintain insurance. The proposal allows the DOR to notify individuals who fail to maintain insurance by ordinary mail rather than certified mail.

***Point Assessment for Federal Convictions -***

The Drivers License Bureau currently assesses points and updates the Missouri driving record when a federal conviction for driving while intoxicated is received. However, the five and ten year license denial penalties that are applied on Missouri convictions pursuant to Section 302.060. (9) and (10) cannot be applied to federal convictions. This proposed legislation will allow the Drivers License Bureau to apply the five and ten year denial penalties in the same manner as a conviction under a Missouri state, county, or municipal ordinance.

The DOR estimates minimal impact as a result of this legislation and will implement the requirements using existing resources.

***Sampling of Insurance Cancellations -***

Currently, 6 FTE in the Drivers License Bureau sample 100 individuals per day to determine compliance with the Mandatory Financial Responsibility Law. In order to comply with the requirements of this proposal, the department will sample 200 individuals per day to determine compliance. This represents 23% of the total sampling pool.

ASSUMPTION (continued)

Increasing the number of individuals sampled to 200 per day will require 6 additional FTE for the Drivers License Bureau. These individuals will be responsible for mailing notifications to individuals who have been sampled, processing reinstatement and limited driving privilege documentation, responding to correspondence and telephone inquiries, assisting walk-in customers, docketing administrative hearings, and presiding over administrative hearings. Total costs for these six (6) FTE is estimated at \$269,185 in FY 01, \$276,753 In FY 02 and \$283,592 in FY 03.

Note:

If 100% of the sampling pool is notified to show proof of insurance, the Drivers License Bureau will require 42 additional FTE. However, this fiscal estimate assumes only 200 samples per day as stated in DOR's FY 2001 budget request.

The Drivers License Bureau would incur cost for printing additional suspension and reinstatement forms totaling \$82,600 per fiscal year.

The Information Technology Management Bureau stated that in order to program automated systems to process data received from insurance companies and determine the pool of individuals to be sampled, \$520,000 is required for contracted programming (at \$125 per hour) and \$5,000 for State Data Center costs. These costs are also included in the FY 2001 budget request for DOR.

The Information Technology Management Bureau will require 2 FTE in order to program DOR systems. These employees will be needed on a continued full time basis in order to manage and maintain the automated database.

**Oversight** assumes the component of the proposal relating to the request for insurance policy information for use in sampling automobile insurance cancellations to determine compliance with the Mandatory Financial Responsibility Law is permissive and therefore has not included associated costs in the fiscal impact section. If the Director of Revenue decides to implement this component of the proposal, the costs associated with these tasks should be detailed in a budget decision item and handled during the normal budgetary process.

Officials from the **Department of Transportation** and the **Department of Insurance** assume the provisions of this proposal would not administratively or fiscally impact their agencies.

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ASSUMPTION (continued)

Officials of the **Department of Corrections** assume this proposal would have a minimal or zero fiscal impact on their department.

Section 301.025 - Proof of Payment of Personal Property Tax

Officials of the **Department of Revenue (DOR)** noted that not all collectors report personal property tax payments electronically and that those who do report electronically do not all use the same format or send reports regularly. All branch and fee offices have electronic access to the information, however additional programming costs could be incurred. Any additional programming costs are unknown.

Section 32.300 - Renewal of Motor Vehicle Licenses; Filing, Payment of Missouri State Taxes via the Internet

Officials from the **Department of Revenue (DOR)** assume this amendment addresses those programs that are currently being implemented and therefore the Department does not anticipate any additional costs associated with this amendment.

The DOR is already working toward the acceptance of Internet filing for income taxes and practitioners (i.e. Tax Accountants). It is the Department's plan to expand the programs to allow sales taxes to be filed via the Internet. The cost for these programs is estimated to be approximately \$500,000, to be funded with existing resources. Therefore, this amendment would not have a fiscal impact on the DOR.

Section 301.474 - Bronze Star Special Plate; Section 301.475 - Combat Medic Special Plate; Section 301.476 - Gulf War Veteran Special Plate; Section 301.3030 - World War II Memorial Trust Fund Plate; Section 301.3053 - Distinguished Flying Cross; Section 301.3055 - Missouri Remembers Special Plate; Section 301.3062 - American Legion Special Plate

Officials from the **Department of Revenue (DOR)** assume the provisions of this amendment creates six new license plate types to be known as Bronze Star/Valor Bronze Star, Combat Medic, Gulf War Veteran, Distinguished Flying Cross, American Legion, Missouri Remembers.

The DOR will require the services of .50 of a Clerk Typist II to process additional plate applications. The Clerk Typist II's responsibilities will include, editing, correspondence, validation, key entry, telephone and customer walk-in assistance. **Oversight** assumes DOR can absorb any additional duties with existing resources.

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ASSUMPTION (continued)

In addition, this bureau will incur expenses in the amount of \$23,197 for policy and procedure changes, forms and postage, and \$24,172 for plates and tabs for FY01. **Oversight** assumes DOR can absorb the majority of its postage costs and has reduced these costs to \$10,000 for FY01.

The Motor Vehicle Bureau could not obtain statistics for the number of Combat Medic plates that would be applied for; therefore, this impact is UNKNOWN.

INCREASE IN REVENUE

*GULF WAR*

The provisions of this proposal require a \$15 fee to be charged for the Desert Storm/Desert Shield license plate. It is assumed of the 28,800 veterans residing in the state of Missouri, 5% will apply for this specialty plate.

28,800 X 5% = **1,440** Gulf War license plate applications

*BRONZE STAR/VALOR*

The provisions of this proposal authorize a specialized Bronze Star license plate. Each applicant must pay an additional \$15 fee for the plate. DOR assumes the number of individuals applying for Bronze Star license plates will be the same as those individuals who have received the Purple Heart Medal and applied for the Purple Heart license plates.

**2,000** Bronze Star/Valor license plate applications

*COMBAT MEDIC*

There will also be an increase due to the additional applications for Combat Medic license plates; however, because the statistics could not be obtained on the number of Combat Medic license plates that would be applied for the increase in revenue is UNKNOWN.

*DISTINGUISHED FLYING CROSS*

Due to the projected minimal number of applications for Distinguished Flying Cross license plates, there will be no measurable revenue increase to the Highway Fund, Cities and County Aid Road Trust Fund (CART).

*AMERICAN LEGION*

The American Legion indicates they have approximately 65,000 members in Missouri. We assume 5% of these members will make the annual contribution and apply for the American Legion license plates.

65,000 x 5% = **3,250 additional license plates**

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ASSUMPTION (continued)

*MISSOURI REMEMBERS*

The DOR can not determine the number of Missouri Remember license plates that will be applied for; however, for purposes of this fiscal analysis we are assuming 100 applications.

**100 additional license plates**

**TOTAL NUMBER OF ADDITIONAL LICENSE PLATES**

**6,790 additional license plates**

The option for biennial motor vehicle registration begins July 1, 2000. Therefore, the following projections are based on the estimated number of individuals that will choose biennial per year. The Department anticipates that approximately 25% of the individuals offered biennial registration will choose it. (Even numbered vehicles will be offered in even number years and odd numbered vehicles will be offered in odd number years.)

**FY01**

\$95,488 x 75% = \$ 71,616 Highway Fund

\$95,488 x 15% = \$ 14,323 Cities

\$95,488 x 10% = \$ 9,488 CART

**FY02 and 03**

\$101,850 x 75% = \$ 76,388 Highway Fund

\$101,850 x 15% = \$ 15,278 Cities

\$101,850 x 10% = \$ 10,850 CART

**World War II Contribution**

This proposal also allows for the collection of a \$10 contribution when an application for a military license plate is received. The \$10 is to be deposited in a fund for the World War II Memorial Fund. Since this a voluntary contribution the Department of Revenue cannot determine the number of applications that will contribute. However, programming modifications to FASTR will be required to allow for the collection, accounting and distribution of the \$10. The current vendor, Revenue Systems Incorporated, has estimated it will cost approximately \$78,000.



ASSUMPTION (continued)

**Oversight** cannot determine the expenditures related to the World War II Memorial Trust Fund program. Therefore, Oversight will present an unknown amount of expenditures to the World War II Memorial Trust Fund. DOR does not expect to incur any substantial costs after FY01. Therefore, it is estimated that the amount of revenues will exceed the amount of expenditures for this new fund, after FY01. Oversight has shown total impact to World War II Memorial Trust Fund equal to (unknown) FY01 and unknown in FY02 and FY03. **Oversight** notes that the General Assembly may appropriate moneys annually from the World War II Memorial Trust Fund to the DOR to offset costs incurred for collecting and transferring contributions to the fund. Oversight has reflected a transfer-in from the World War II Memorial Trust Fund to repay DOR's administrative costs per year.

The **Department of Transportation (MoDOT)** concurs with the Department of Revenue's response to this proposal.

Officials from the **Secretary of State (SOS)** assumes the rules, regulations and forms issued by the DOR could require as many as twelve pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$22.50. The estimated cost of a page in the Code of State Regulations is \$26.50. Therefore, the total anticipated cost is \$846.00 in FY01. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

While the bill alone would not require SOS to acquire additional staff, SOS assumes the cumulative effect of other bills that require rulemaking may, in the aggregate, necessitate additional staff. **Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriations process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

**Office of State Treasurer (STO)** assumed they would not be fiscally impacted by the proposal.

ASSUMPTION (continued)

Section 301.3051 - Shriners Special License Plate

The **Department of Revenue (DOR)** Motor Vehicle Bureau (MVB) stated the Shriners have indicated that as of November 1999 there were approximately 19,791 members. They indicated approximately 5%, or 989 members would apply for this type of license plate. Accordingly, the MVB assumes they will require the services of one Clerk Typist for 65 hours of overtime to process the additional applications received. Responsibilities associated with this process are validating applications, computer entry, correspondence, telephone and walk-in customer assistance. DOR assumes the additional requests can be processed with existing resources.

The MVB also assumes they would incur expenses in the amount of \$2,476 for forms and postage and \$5,598 for plates and tabs. The DOR assumes this proposal requires the payment of an additional \$15 fee for this special plate. Therefore, the DOR estimates an annual increase of revenue of \$14,835 to be split between the Highway Fund, Cities and the County Aid Road Trust Fund.

Section 301.3041 - Wilson's Creek National Battlefield Special License Plate

The **Department of Revenue (DOR)** assumes the fiscal impact of this proposal would be minimal. According to the Civil War Battlefield National Foundation, it has a membership of 400. The DOR assumes 10% of the membership may apply for the new plates. The number of new applications would be minimal, therefore, the increase could be handled with existing resources.

Due to the projected minimal number of applications for the Wilson's Creek National Battlefield Foundation license plates, there will be no measurable revenue increase to the Highway Fund, Cities and County Aid Road Trust Fund (CART.)

Section 32.055 - Personal Information to Remain Closed

The **Department of Insurance** and the **Department of Public Safety-Highway Patrol** do not expect to be affected, administratively.

The **Department of Transportation (MoDOT)** assumes this proposal would reduce the amount of funds credited to the State Highways and Transportation Fund because of the reduction in the amount of income received from the sale of motor vehicle and driver's license records. The MoDOT concurs with the Department of Revenue's response to this proposal.

ASSUMPTION (continued)

Officials of the **Department of Revenue (DOR)** stated that presently, the DOR asks the individual at the time of driver's license or motor vehicle transaction if he/she desires to restrict their personal information on the DOR computer files. This proposal will require closure of all records, and require the owner of the personal information to give written permission to entities who do not already have a security access code to receive personal information. This proposal also closes "sensitive" information which includes the photograph, social security number, and medical/disability information except to government agencies, law enforcement, insurance companies, and employers of commercial drivers.

This proposal also prohibits the DOR from providing records to entities for bulk mailing.

Since implementing the provisions of SB 19, 63% of license applicants have chosen to restrict access to the personal information contained on their driver's license and motor vehicle records.

**Drivers License Bureau** -The Driver's License Bureau receives approximately 1.5 million requests for driver records through the Electronic Driver Record System. This proposal will automatically close the 1.3 million records that are currently open on the Driver License System. Of these, the Drivers License Bureau assumes 6.6%, or 99,000 requests, will require written consent from the record holder to allow disclosure of personal information. Of these, the Drivers License Bureau assumes 33% (of the 99,000 requests) will contain the written consent form, or 33,000. The Drivers License Bureau will require 1 FTE to manually verify the consent form, microfilm the consent form, prepare additional correspondence regarding incomplete request forms, and handle additional phone calls relating to this process. This bureau will require approximately \$15,000 for required forms changes and information pamphlets and flyers to educate the public of the new changes in the disclosure/restriction of driver records. This bureau will also require approximately \$5,000 for programming changes required to the OTC system. Programming modifications are required to be completed the current contract vendor and it is estimated it will take approximately 40 hours of programming.  
40 x \$125 per hour contract price = \$5,000

**Motor Vehicle Bureau** - This bureau will require the services of 1 FTE and associated equipment and expenses to implement the provisions of this proposal. This bureau will require \$6,516 for form modifications, policy revisions and postage. The Field Automated System for Titling and Registration will also require changes in edits, screen changes and testing requirements. It is estimated that those modifications will cost approximately \$100,000.

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ASSUMPTION (continued)

**Information Technology and Management Bureau** -To implement the provisions of this proposal extensive programming modifications must be made to the Drivers License and General Registration Computer Systems. This will entail programming, unit testing, system testing, implementation and documentation. To accommodate these modifications, this Division will incur State Data Center (SDC) costs in the amount of \$7,439.

**REVENUE IMPACT**

As the provisions of this proposal require the written permission of the record holder to accompany the request for a driver or motor vehicle record, it is anticipated that the Information Fund will lose approximately \$312,000 dollars for records sold to bulk mailers.

**Oversight** assumes that conversion from electronic to manual systems would be accomplished with existing personnel, except for programming changes required to be performed by Polaroid, Inc. on the OTC system. Costs have been adjusted to adhere to Office of Administration guidelines.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**HIGHWAY FUND**

Cost Avoidance - DOR

Certified mail	\$0	\$2,220,075	\$900,900
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Income - DOR

Specialty License Plate fee	\$80,888	\$87,514	\$87,514
Transfer-in from WWII Memorial Trust Fund	<u>\$78,000</u>	<u>Unknown</u>	<u>Unknown</u>
Total <u>Income</u> - DOR	\$158,888	\$87,514	\$87,514

Costs - DOR

Personal Service (2 FTE)	(\$32,420)	(\$39,877)	(\$40,874)
Fringe Benefits	(\$9,969)	(\$12,262)	(\$12,569)
Expense and Equipment	(\$6,710)	(\$618)	(\$637)
State Data Center Costs	(\$7,439)	\$0	\$0
OTC Programming by Polaroid, Inc.	(\$5,000)	\$0	\$0
Forms and policies - printing and postage	(33,992)	\$0	\$0
Plates and tabs	(29,770)	\$0	\$0
Programming Costs for FASTR	(\$78,000)	\$0	\$0

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FISCAL IMPACT - State Government  
(continued)

FY 2001  
(10 Mo.)

FY 2002

FY 2003

Mandatory Insurance Database  
Development and Operation\*

Total Costs - DOR

	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
	(\$203,300) to	(\$52,757) to	(\$54,080) to
	(Unknown)	(Unknown)	(Unknown)

Loss-Department of Transportation (DHT)

Reduced Income from DOR Information  
Fund Transfers

(\$195,000)	(\$234,000)	(\$234,000)
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**ESTIMATED NET EFFECT ON  
HIGHWAY FUND\***

**(Unknown) (Unknown) (Unknown)**

\* Unknown, expected to exceed \$1,000,000, potential increase in revenue (Insurance Premium Tax) not included.

**GENERAL REVENUE**

Costs - State Public Defender

Personal Service (.75 FTE)

(\$19,175)	(\$23,595)	(\$24,185)
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Fringe Benefits

(\$5,731)	(\$7,053)	(\$7,229)
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Expense and Equipment

<u>(\$5,232)</u>	<u>(\$1,642)</u>	<u>(\$1,691)</u>
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Total Costs - SPD

(\$30,138)	(\$32,290)	(\$33,105)
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**ESTIMATED NET EFFECT ON  
GENERAL REVENUE FUND**

**(\$30,138) (\$32,290) (\$33,105)**

**WORLD WAR II MEMORIAL  
TRUST FUND**

Income - DOR

Donations, grants, gifts, bequests

Unknown	Unknown	Unknown
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Costs - expense and equipment

(Unknown)	(Unknown)	(Unknown)
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<u>FISCAL IMPACT - State Government</u> (continued)	<u>FY 2001</u> (10 Mo.)	<u>FY 2002</u>	<u>FY 2003</u>
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Transfer - Out

Transfer To Highway Fund for DOR collection and transfer costs*	(\$78,000)	(Unknown)	(Unknown)
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**ESTIMATED NET EFFECT ON  
WORLD WAR II MEMORIAL  
TRUST FUND**

<b>(Unknown)</b>	<b>Unknown</b>	<b>Unknown</b>
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\* Subject to appropriation by General Assembly

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2001</u> (10 Mo.)	<u>FY 2002</u>	<u>FY 2003</u>
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**CITIES AND COUNTIES**

Income - Additional Fees

Cities	\$16,177	\$17,503	\$17,503
County Aid Road Trust Fund	<u>\$10,724</u>	<u>\$12,334</u>	<u>\$12,334</u>
Total <u>Income</u>	\$26,901	\$29,837	\$29,837

Loss - Bulk Information sales loss

Cities	(\$39,000)	(\$46,800)	(\$46,800)
Counties	<u>(\$26,000)</u>	<u>(\$31,200)</u>	<u>(\$31,200)</u>
Total <u>Loss</u>	(\$65,000)	(\$78,000)	(\$78,000)

**ESTIMATED NET EFFECT ON  
CITIES AND COUNTIES**

<b><u>(\$38,099)</u></b>	<b><u>(\$48,163)</u></b>	<b><u>(\$48,163)</u></b>
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FISCAL IMPACT - Small Business

Insurance companies may be impacted to the extent that they are required to submit policy information electronically to the Department of Revenue.

DESCRIPTION

This proposal makes several changes to the current Motorist Insurance Identification Database Law. Owners of inoperable or stored vehicles are exempt from the provisions requiring maintenance of financial responsibility. The Department of Revenue is required by July 1, 2001, instead of January 1, 2001, to contract with a designated agent to monitor compliance with the requirements of the chapter. The department will review the operation and performance of the database and submit a report to the General Assembly by January 15, instead of December 31, of the year following the third complete year of implementation.

Current law requires the designated agent to notify owners who have not maintained financial responsibility for 2 consecutive months that their vehicle registrations will be suspended if they do not show proof of insurance within 30 days of the mailing. The proposal exempts from such notification owners of fleet or rental vehicles and authorizes the Director of the Department of Revenue to make rules governing the notification provisions. Notice of suspension of motor vehicle registration due to noncompliance with insurance requirements will be sent by first class instead of by certified mail.

The proposal also allows the Division of Motor Carrier and Railroad Safety within the Department of Economic Development by rule to provide for the electronic filing by insurance companies of certificates of insurance.

The proposal also prohibits the director from suspending registrations of owners who satisfactorily establish that the motor vehicle was inoperable or being stored and not operated on the date proof of financial responsibility is required.

Current law requires by March 1, 2001, all licensed insurance companies to provide a record of all policies in effect on that date and to provide before the seventh working day of each month a record of each policy issued, canceled, terminated, suspended, or revoked during the previous month. The proposal only requires reporting the policies in effect beginning March 1, 2002, before the seventh working day of each month.

The proposal moves the effective date from January 1, 2001 to July 1, 2001 and extends the expiration date to June 30, 2006.

This proposal allows 2 points to be assessed against a driver's license upon conviction of a moving violation of a federal traffic ordinance and 8 points on the first conviction for driving with excessive blood alcohol content in violation of a federal law or regulation.

DESCRIPTION (continued)

This proposal clarifies when a person is no longer required to be conviction free or free of alcohol-related offenses in order to receive a full drivers license. The proposal also allows an intermediate licensee, who has completed an approved driver training program, to be issued a full driving privilege upon reaching the age of 17. The proposal removes the requirement for proof of financial responsibility to be filed with the director for suspensions or revocations for violating section 300.025 (traffic violations) and allows the Director of Revenue to prescribe what proof of insurance is required except that the proof may not be that required by sections 303.170 and 303.180 or some other form of high-risk insurance.

The proposal allows the Department of Revenue to obtain insurance information from licensed insurance companies in Missouri who sell private passenger (non-commercial) motor vehicle insurance policies. The director of revenue may use this insurance information for sampling purposes.

This act requires the Department of Revenue to establish a system, in counties where personal property taxes are accessible by computer, where citizens can register their vehicles by the Internet. The online license renewal system shall be available by January 1, 2002.

The Department of Revenue must also establish a system to allow citizens to file and pay their state taxes by the Internet. This system must be established by January 1, 2002.

The proposal allows any person applying for a military plate to have an option of contributing \$10 to the National World War II Memorial to be constructed in Washington, D.C.

The following new plates are made available: "Bronze Star," "Combat Medic," "Gulf War Veteran," "Distinguished Flying Cross", "Wilson Creek National Battlefield" and "Missouri Remembers". To obtain these plates, one must pay the applicable contribution to the sponsoring organization for an emblem-use authorization statement and submit the statement to the Department of Revenue at the time of registration.

This proposal allows for special license plates for the Ancient Arabic Order, Nobles of the Mystic Shrine of North America (Shriners). To obtain the plate, an emblem-use authorization statement must be obtained from the Shrine Temple (\$25 contribution) and presented to the Department of Revenue along with the fee required for personalized license plates and other fees and documents required by law. Any contribution to the Shrine Temple derived from authorization statements, less administrative cost, will be contributed to the Shriners Hospitals for Crippled and Burned Children.



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DESCRIPTION (continued)

Personal information in motor vehicle and driver's license records shall be presumed to be closed instead of open to the public. Current law requires individuals to request their information be private. This proposal would require them to choose if it is public. Personal information in motor vehicle and driver's license records shall be available to law enforcement personnel, insurance investigators, automobile manufacturers, and creditors in relation to titles.

This proposal also eliminates the bulk disclosure of motor vehicle and driver's license records by the Department of Revenue.

This proposal also allows the Director or Revenue to allow the issuance and/or renewal of motor vehicle registrations by electronic means.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance  
Department of Revenue  
Department of Corrections  
Department of Transportation  
Office of the State Courts Administrator  
State Treasurer's Office  
Office of Prosecution Services  
State Public Defender's Office  
Secretary of State's Office  
Department of Economic Development  
Division of Motor Carrier and Railroad Safety



Jeanne Jarrett, CPA  
Director  
May 11, 2000